



ANNUAL STATEMENT
For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
McLAREN HEALTH PLAN, INC

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95848	Employer's ID Number	383383640
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	09/12/1997		Commenced Business	08/01/1998		
Statutory Home Office	G-3245 Beecher Rd. (Street and Number)		FLINT, MI 48532 (City or Town, State and Zip Code)			
Main Administrative Office			G-3245 Beecher Rd. (Street and Number)			
	FLINT, MI 48532 (City or Town, State and Zip Code)		(810)733-9723 (Area Code) (Telephone Number)			
Mail Address	G-3245 Beecher Rd. (Street and Number or P.O. Box)		FLINT, MI 48532 (City or Town, State and Zip Code)			
Primary Location of Books and Records			G-3245 Beecher Rd. (Street and Number)			
	FLINT, MI 48532 (City or Town, State and Zip Code)		(810)733-9723 (Area Code) (Telephone Number)			
Internet Website Address	www.mclarenhealthplan.org					
Statutory Statement Contact	CHERYL WESTOBY (Name)		(810)733-9723 (Area Code)(Telephone Number)(Extension)			
	cherylwe@mclaren.org (E-Mail Address)		(810)733-9652 (Fax Number)			

OFFICERS

Name	Title
KATHY KENDALL	President
TOM DONALDSON	Chairman
DON KOOY	Secretary
DAVE MAZURKIEWICZ	Treasurer #

OTHERS

CAROL SOLOMON, Chief Financial Officer

DIRECTORS OR TRUSTEES

KATHY KENDALL	DON KOOY
TOM DONALDSON	RONALD SHAHEEN D.O.
KEVIN TOMPKINS	DENNIS LAFOREST
PATRICK HAYES #	DAVE MAZURKIEWICZ #

State of Michigan
County of Genesee ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
KATHY KENDALL	DAVE MAZURKIEWICZ	CAROL SOLOMON
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Treasurer	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2010

a. Is this an original filing? Yes[X] No[]

b. If no, 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	8,378,427	94,639	8,283,788	7,236,994
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)	3,152,449		3,152,449	2,642,756
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....92,118,871 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....1,216,261 Schedule DA)	93,335,132		93,335,132	74,539,264
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets	450,211	364,247	85,964	50,722
10.	Subtotals, cash and invested assets (Lines 1 to 9)	105,316,219	458,885	104,857,333	84,469,736
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	18,598		18,598	120,834
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection	421,837		421,837	161,000
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	249,054		249,054	174,723
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset				
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	123,000	37,449	85,552	41,165
19.	Furniture and equipment, including health care delivery assets (\$.....0)	433,077	433,077		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates	741,232	12,702	728,530	1,114,232
22.	Health care (\$.....3,905,178) and other amounts receivable	3,923,864		3,923,864	1,979,312
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	111,226,882	942,113	110,284,769	88,061,002
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	111,226,882	942,113	110,284,769	88,061,002
DETAILS OF WRITE-INS					
0901.	INTANGIBLE ASSET - PHP	109,749	109,749		
0902.	INVENTORY	15,526	15,526		
0903.	DEFERRED CHARGES EQUIP FEES	4,631	4,631		
0998.	Summary of remaining write-ins for Line 9 from overflow page	320,304	234,340	85,964	50,722
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	450,211	364,247	85,964	50,722
2301.	.....			
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	32,640,159		32,640,159	23,042,969
2.	Accrued medical incentive pool and bonus amounts	3,700,223		3,700,223	2,883,894
3.	Unpaid claims adjustment expenses	579,796		579,796	528,617
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	196,236		196,236	1,079,792
9.	General expenses due or accrued	1,972,668		1,972,668	1,453,390
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others	49,737		49,737	25,725
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	910,354		910,354	702,704
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans				
21.	Aggregate write-ins for other liabilities (including \$.....0 current)	413,043		413,043	1,390,270
22.	TOTAL Liabilities (Lines 1 to 21)	40,462,217		40,462,217	31,107,361
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X		
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	1,140,000	1,140,000
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	68,682,552	55,813,641
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	TOTAL Capital and Surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	69,822,552	56,953,641
32.	TOTAL Liabilities, Capital and Surplus (Lines 22 and 31)	X X X	X X X	110,284,769	88,061,002
DETAILS OF WRITE-INS					
2101.	PAYABLE FOR QAAP	55,485		55,485	1,252,027
2102.	ACCRUED PENSION	357,558		357,558	138,243
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	413,043		413,043	1,390,270
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	949,132	799,137
2.	Net premium income (including \$.....0 non-health premium income)	X X X	270,892,395	205,249,824
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(4,125,406)	(12,276,619)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	266,766,990	192,973,205
Hospital and Medical:				
9.	Hospital/medical benefits		186,605,978	134,099,720
10.	Other professional services		2,722,350	2,212,255
11.	Outside referrals			
12.	Emergency room and out-of-area		13,509,831	8,908,360
13.	Prescription drugs		27,208,906	22,506,825
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		3,605,311	2,513,635
16.	Subtotal (Lines 9 to 15)		233,652,377	170,240,796
Less:				
17.	Net reinsurance recoveries		708,136	571,342
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		232,944,241	169,669,453
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....441,246 cost containment expenses		2,206,229	2,063,392
21.	General administrative expenses		19,880,364	6,534,075
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		255,030,834	178,266,920
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	11,736,156	14,706,285
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		(8,238)	1,543,621
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		(157,593)	1,174
27.	Net investment gains (losses) (Lines 25 plus 26)		(165,831)	1,544,796
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	11,570,325	16,251,081
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	11,570,325	16,251,081
DETAILS OF WRITE-INS				
0601.	OTHER HEALTH CARE RELATED REVENUE	X X X	14,692	9,003
0602.	QAAP TAX	X X X	(3,072,907)	(11,562,531)
0603.	MPCA	X X X	(1,067,190)	(723,091)
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(4,125,406)	(12,276,619)
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	LOSS ON SALE OF EQUIPMENT			
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	56,953,641	40,751,831
34.	Net income or (loss) from Line 32	11,570,325	16,251,081
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	957,356	(513,549)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	413,062	410,996
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(71,830)	53,282
48.	Net change in capital and surplus (Lines 34 to 47)	12,868,912	16,201,810
49.	Capital and surplus end of reporting year (Line 33 plus 48)	69,822,553	56,953,641
DETAILS OF WRITE-INS			
4701.	PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	(71,830)	53,282
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(71,830)	53,282

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	269,748,002	205,779,140
2.	Net investment income	93,998	1,642,258
3.	Miscellaneous income	(4,127,253)	(12,290,101)
4.	Total (Lines 1 through 3)	265,714,748	195,131,298
5.	Benefit and loss related payments	224,547,758	160,879,855
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	21,495,404	7,416,113
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	20,733	
10.	Total (Lines 5 through 9)	246,063,894	168,295,968
11.	Net cash from operations (Line 4 minus Line 10)	19,650,853	26,835,330
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks	633,551	750,753
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		160,036
12.7	Miscellaneous proceeds	783,357	531,753
12.8	Total investment proceeds (Lines 12.1 to 12.7)	1,416,908	1,442,542
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks	838,564	1,015,938
13.3	Mortgage loans		
13.4	Real estate	699,439	208,438
13.5	Other invested assets		
13.6	Miscellaneous applications	685	0
13.7	Total investments acquired (Lines 13.1 to 13.6)	1,538,687	1,224,377
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(121,779)	218,166
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(733,206)	(4,872,337)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(733,206)	(4,872,337)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	18,795,868	22,181,158
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	74,539,264	52,358,106
19.2	End of year (Line 18 plus Line 19.1)	93,335,132	74,539,264

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
---------	--	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	270,892,395	30,823,274						240,069,121		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues	(4,125,406)	(384,954)						(3,740,452)		X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	266,766,990	30,438,320						236,328,670		
8.	Hospital/medical benefits	186,605,978	25,825,850						160,780,128		X X X
9.	Other professional services	2,722,350	460,724						2,261,627		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	13,509,831	1,901,254						11,608,578		X X X
12.	Prescription drugs	27,208,906	3,788,426						23,420,480		X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts	3,605,311	382,174						3,223,137		X X X
15.	Subtotal (Lines 8 to 14)	233,652,377	32,358,427						201,293,950		X X X
16.	Net reinsurance recoveries	708,136	259,670						448,467		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	232,944,241	32,098,757						200,845,483		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....441,246 cost containment expenses	2,206,229	621,472						1,584,757		
20.	General administrative expenses	19,880,364	3,544,865						16,335,498		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	255,030,834	36,265,095						218,765,739		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	11,736,156	(5,826,775)						17,562,931		
DETAILS OF WRITE-INS											
0501.	Other Health Care Related Revenue	14,692							14,692		X X X
0502.	QAAP TAX	(3,072,907)	(384,954)						(2,687,953)		X X X
0503.	MPCA	(1,067,190)							(1,067,190)		X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(4,125,406)	(384,954)						(3,740,452)		X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical)	31,489,618		666,344	30,823,274
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	240,434,414		313,293	240,121,121
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	271,924,032		979,637	270,944,395
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	271,924,032		979,637	270,944,395

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	219,646,826	28,670,064						190,976,762		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	310,102	156,079						154,023		
1.4 Net	219,336,724	28,513,985						190,822,739		
2. Paid medical incentive pools and bonuses	2,883,894	260,662						2,623,232		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	32,640,159	5,843,881						26,796,279		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	32,640,159	5,843,881						26,796,279		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	3,700,223	13,088						3,687,135		
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year ..	249,054	87,590						161,464		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	23,042,969	3,123,171						19,919,798		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	23,042,969	3,123,171						19,919,798		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	2,883,894	260,662						2,623,232		
11. Amounts recoverable from reinsurers December 31, prior year	174,723							174,723		
12. Incurred benefits:										
12.1 Direct	229,244,016	31,390,774						197,853,242		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	384,433	243,670						140,764		
12.4 Net	228,859,583	31,147,104						197,712,478		
13. Incurred medical incentive pools and bonuses	3,700,223	13,089						3,687,134		

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	9,471,972	467,366						9,004,605		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	9,471,972	467,366						9,004,605		
2. Incurred but Unreported:										
2.1 Direct	23,168,188	5,376,514						17,791,673		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	23,168,188	5,376,514						17,791,673		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	32,640,159	5,843,881						26,796,279		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	32,640,159	5,843,881						26,796,279		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	2,666,852	26,003,212		5,843,881	2,666,852	3,123,170
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	16,912,389	174,064,373		26,796,279	16,912,389	19,919,799
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	19,579,241	200,067,585		32,640,160	19,579,241	23,042,969
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	2,883,894			3,700,223	2,883,894	2,883,894
13.	TOTALS (Lines 9 - 10 + 11 + 12)	22,463,135	200,067,585		36,340,383	22,463,135	25,926,863

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,987	11,987	11,987	11,987	11,987
2.	2005	75,125	91,135	91,135	91,135	91,135
3.	2006	X X X	84,034	98,347	98,347	98,347
4.	2007	X X X	X X X	124,176	138,862	138,862
5.	2008	X X X	X X X	X X X	146,048	168,511
6.	2009	X X X	X X X	X X X	X X X	200,067

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,987	11,987	11,987	11,987	11,987
2.	2005	75,125	91,291	91,135	91,135	91,135
3.	2006	X X X	101,758	98,347	98,347	98,347
4.	2007	X X X	X X X	141,166	138,862	138,862
5.	2008	X X X	X X X	X X X	171,975	168,511
6.	2009	X X X	X X X	X X X	X X X	236,408

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005	108,955	91,135	228	0.250	91,363	83.854			91,363	83.854
2.	2006	122,778	98,347	271	0.276	98,618	80.322			98,618	80.322
3.	2007	167,083	138,862	1,262	0.908	140,124	83.865			140,124	83.865
4.	2008	205,853	168,511	2,028	1.204	170,539	82.845			170,539	82.845
5.	2009	272,218	200,067	1,853	0.926	201,920	74.176	36,341	579	238,840	87.739

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior					
2.	2005					
3.	2006	X X X	72	113	113	113
4.	2007	X X X	X X X	5,474	6,564	6,564
5.	2008	X X X	X X X	X X X	11,106	14,033
6.	2009	X X X	X X X	X X X	X X X	26,003

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior					
2.	2005					
3.	2006	X X X	188	113	113	113
4.	2007	X X X	X X X	7,109	6,564	6,564
5.	2008	X X X	X X X	X X X	14,490	14,033
6.	2009	X X X	X X X	X X X	X X X	31,847

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005										
2.	2006	213	113			113	53.052			113	53.052
3.	2007	6,062	6,564	76	1.160	6,640	109.537			6,640	109.537
4.	2008	15,267	14,033	571	4.068	14,604	95.656			14,604	95.656
5.	2009	31,784	26,003	526	2.023	26,529	83.467	5,844	104	32,477	102.180

12 Hospital and Medical

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,987	11,987	11,987	11,987	11,987
2.	2005	75,125	91,135	91,135	91,135	91,135
3.	2006	X X X	83,962	98,234	98,234	98,234
4.	2007	X X X	X X X	118,702	132,298	132,298
5.	2008	X X X	X X X	X X X	134,942	154,478
6.	2009	X X X	X X X	X X X	X X X	174,064

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,987	11,987	11,987	11,987	11,987
2.	2005	75,125	91,291	91,135	91,135	91,135
3.	2006	X X X	101,570	98,234	98,234	98,234
4.	2007	X X X	X X X	134,057	132,298	132,298
5.	2008	X X X	X X X	X X X	157,485	154,478
6.	2009	X X X	X X X	X X X	X X X	204,561

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005	108,955	91,135	228	0.250	91,363	83.854			91,363	83.854
2.	2006	122,565	98,234	271	0.276	98,505	80.370			98,505	80.370
3.	2007	161,021	132,298	1,185	0.896	133,483	82.898			133,483	82.898
4.	2008	190,586	154,478	1,457	0.943	155,935	81.819			155,935	81.819
5.	2009	240,434	174,064	1,327	0.763	175,391	72.948	30,497	475	206,363	85.829

12 Title XIX-Medicaid

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....1,108,996 for occupancy of own building)				1,108,996	1,108,996
2.	Salaries, wages and other benefits	200,846	803,383	3,361,982		4,366,210
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)	51,448	205,791	861,189		1,118,427
4.	Legal fees and expenses	1,870	7,481	31,306		40,657
5.	Certifications and accreditation fees	4,722	18,889	79,044		102,655
6.	Auditing, actuarial and other consulting services	3,839	15,354	64,255		83,448
7.	Traveling expenses	740	2,960	12,389		16,089
8.	Marketing and advertising	16,321	65,285	273,202		354,808
9.	Postage, express and telephone	10,446	41,783	174,851		227,080
10.	Printing and office supplies	26,694	106,774	446,827		580,295
11.	Occupancy, depreciation and amortization	29,642	118,567	496,179		644,388
12.	Equipment	76	304	1,272		1,651
13.	Cost or depreciation of EDP equipment and software	2,247	8,987	37,607		48,841
14.	Outsourced services including EDP, claims, and other services	87,407	349,628	1,463,117		1,900,152
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate	2,818	11,271	47,168		61,257
17.	Collection and bank service charges	2,132	8,527	35,682		46,340
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses				268,706	268,706
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes			12,494,293		12,494,293
23.2	State premium taxes					
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes					
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	441,246	1,764,983	19,880,364	1,377,702	(a) 23,464,295
27.	Less expenses unpaid December 31, current year			1,972,668		1,972,668
28.	Add expenses unpaid December 31, prior year			1,453,390		1,453,390
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	441,246	1,764,983	19,361,086	1,377,702	22,945,017
DETAILS OF WRITE-INS						
2501.	.....				
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	205,093	185,599
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 1,137,996	1,137,996
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 292,822	235,615
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	1,635,911	1,559,210
11.	Investment expenses		(g) 1,377,702
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 189,746
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		1,567,448
17.	Net Investment income (Line 10 minus Line 16)		(8,238)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....1,108,996 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....189,746 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(156,908)		(156,908)	697,629	
2.21	Common stocks of affiliates				259,727	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	(156,908)		(156,908)	957,356	
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks	94,639	135,973	41,334
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets	364,247	993,100	628,854
10.	Subtotals, cash and invested assets (Lines 1 to 9)	458,885	1,129,073	670,188
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software	37,449	24,534	(12,915)
19.	Furniture and equipment, including health care delivery assets	433,077	196,998	(236,078)
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates	12,702	4,569	(8,133)
22.	Health care and other amounts receivable			
23.	Aggregate write-ins for other than invested assets			
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	942,113	1,355,175	413,062
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	942,113	1,355,175	413,062
DETAILS OF WRITE-INS				
0901.	INTANGIBLE ASSET - PHP	109,749	197,986	88,237
0902.	INVENTORY	15,526	8,866	(6,660)
0903.	DEFERRED CHARGES EQUIP FEES	4,631		(4,631)
0998.	Summary of remaining write-ins for Line 9 from overflow page	234,340	786,248	551,907
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	364,247	993,100	628,854
2301.	.....		
2302.	.....		
2303.	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	64,484	67,296	70,303	72,577	76,318	846,729
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	6,828	7,670	7,933	8,646	10,560	102,403
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	71,312	74,966	78,236	81,223	86,878	949,132
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

McLaren Health Plan, Inc
December 31, 2009

1. Summary of Significant Accounting Policies

- A. The financial statements of McLaren Health Plan are presented on the basis of accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services. The statements have been completed in accordance with NAIC Accounting Practices and Procedures Manual except to the extent that Michigan law differs.
- B. Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates exist relating to accrued health care costs. These estimates are actuarially determined and represent the Plan's best estimate of the level of claims to be paid applicable to 2009 or prior periods. Any future adjustments to these amounts will affect the reported results in the future periods.
- C. (1) Beginning with the 1st qtr 2008 report, short-term investments now includes the JPMorgan US Govt Mny Mkt Fd Capital that was previously listed under common stock on the 2007 annual statement.

Short-term investments are all highly liquid investments purchased with an original maturity of three months or less, are treated as cash equivalents. Stated at market value.

- (2) Bonds: None
- (3) Common Stock:

Equity Index Mutual Fund held with JPMorgan Chase, stated at fair market value.

Short Duration Mutual Bond Fund Ultra Class held with JPMorgan Chase, stated at fair market value.

- (4) Preferred Stock: None
- (5) Mortgage Loans: None
- (6) Loan-Backed Securities: None
- (7) Investments in Subsidiaries, Controlled and Affiliated Companies: The Plan is the Parent Corporation of Health Advantage, Inc., a licensed Michigan TPA. The Plan carries Health Advantage, Inc., at SSAP equity basis.
- (8) Investments in Joint Ventures, Partnerships, and Limited Liability Companies: None
- (9) Derivatives: None
- (10) Anticipated investment income is not a factor in the premium deficiency calculation.
- (11) Estimates of Liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals, are based on actuarial assumptions relevant to contract provisions, and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported.

The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

- (12) Capitalization policy and the resultant predefined thresholds did not change from the prior period.

Notes to Financial Statements

(13) Pharmaceutical rebates receivables are derived from actual confirmed receipts from the PBM.

2. Accounting Changes and Corrections of Errors
A. The investment in JPMorgan US Govt Mny Mkt Fd Capital was inappropriately classified on the 2007 annual statement as common stock. Beginning with the 1st qtr 2008, the investment is now listed as a short term investment.
3. Business Combinations and Goodwill
None
4. Discontinued Operations
None
5. Investments
A. Mortgage Loans, including Mezzanine Real Estate Loans: None
B. Debt Restructuring: None
C. Reverse Mortgages: None
D. Loan-Backed Securities: None
E. Repurchase Agreements: None
F. Real Estate: None
G. Low-Income Housing Tax Credits (LIHTC): None
6. Joint Ventures, Partnerships and Limited Liability Companies
None
7. Investment Income
Non admitted / Excluded = None
8. Derivative Investments
None
9. Income Taxes
None (Plan was awarded tax-exempt status by the IRS beginning 1/1/2000)
10. Information Concerning Parent, Subsidiaries and Affiliates
A. McLaren Health Care Corporation (MHCC), a Michigan non-profit corporation and holding company of various health care entities, is the sole parent of McLaren Health Plan and provided to McLaren Health Plan Gross paid in and contributed surplus of \$1,140,000.

McLaren Regional Medical Center (MRMC).

Provider HealthNet Services (PHNS).

Health Advantage Inc. (HAI), a wholly owned subsidiary of McLaren Health Plan.
B. Transactions: None
C. Transactions: None
D. Due from Affiliates: \$728,530: amounts due from affiliate for administrative services and information system operations support. The amounts are settled monthly.
Due to Affiliates: \$910,354: amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled monthly.
E. Guarantees or undertakings: None
F. Management Agreements between:
1) McLaren Health Plan and McLaren Health Care Corporation:
McLaren Health Care Corporation agrees to provide certain

Notes to Financial Statements

operational services and other resources to McLaren Health Plan: \$690,418.

- 2) McLaren Health Plan and MRMC: MRMC agrees to provide certain accounting / resource services to McLaren Health Plan: \$5,633.
- 3) McLaren Health Plan and PHNS: PHNS agrees to provide certain information technology and telephony services to McLaren Health Plan: \$117,914.
- 4) McLaren Health Plan and HAI: McLaren Health Plan agrees to provide certain operational, personnel services and other resources to HAI: \$4,370,942.

- G. Control relationship: None
- H. Upstream/downstream activity: None
- I. Investment in SCA: None
- J. Investments in impaired SCA: None
- K. Investment in foreign insurance subsidiary: None
- L. Investment in downstream noninsurance holding company: None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan
See D Below
- B. Defined Contribution Plans:
McLaren Health Plan employees hired on or after October 1, 2004 will be covered by a qualified defined contribution pension plan sponsored by McLaren Health Plan. Vesting period for contribution matching by McLaren Health Plan is 2 years. In 2009, the employer contribution was \$50,020.
- C. Multiemployer Plans: None
- D. Consolidated/Holding Company Plans:
McLaren Health Plan is a wholly owned subsidiary of McLaren Health Care Corporation, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan employees whose employment began prior to Oct 1, 2004. The benefits under the plan are based on years of service and the employee’s termination of employment. The plan has no legal obligation for benefits under this plan. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Retirement Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future. The Plan’s 2009 pension expense amount was \$201,373.
- E. Post employment Benefits and Compensated Absences: They are accrued.
- F. The impact of Medicare Moderization Act on Post Retirement Benefits are not reflected in the financial statements or accompanying notes.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- (1) Capital stock: None
- (2) Preferred stock: None
- (3) Dividend restrictions: The Commissioner (State of Michigan) shall consider the following factors regarding dividends:
 - (a.) The adequacy of the level of surplus as regards policyholders remaining after the dividend payment(s);

Notes to Financial Statements

- (b.) The quality of the Plan’s earnings and the extent to which the reported earnings include extraordinary items, such as surplus relief insurance transactions and reserve destrengthening;
- (c.) The quality and liquidity of investments in subsidiaries;
- (d.) If the Commissioner determines that the Plan’s surplus as regards policyholders is not reasonable in relation to the Plan’s outstanding liabilities and is not adequate to its financial needs, the commissioner shall limit or disallow the payment of shareholder dividends.
- (e.) Dividends shall be declared or paid only from earned surplus, unless approved by the Commissioner.

- (4) Date and amount of dividends issued: None
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions placed on surplus: None
- (7) Advances of surplus not paid: None
- (8) Amount of stock held for special purposes: None
- (9) Special surplus funds: None
- (10) Unassigned funds (surplus) represented or reduced: None
- (11) Surplus notes: None
- (12) Quasi-reorganization: None
- (13) Quasi-reorganization: None

14. Contingencies

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits: None
- E. All Other Contingencies
The Plan is susceptible to various legal actions related to Plan activities. Management is of the opinion that no litigation matters are outstanding or pending that will have a material effect on its financial position or results of operations.

15. Leases

None

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales. None.
- B. Transfer and Servicing of Financial Assets. None
- C. Wash Sales. None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

Notes to Financial Statements

20. Other Items

A. Extraordinary Items: None

B. Troubled Debt Restructuring: Debtors: None

C. Other Disclosures: None

D. Balance uncollectible for assets covered by SSAP No. 6. :none

E. Business Interruption Insurance Recoveries: None

F. State Transferable Tax Credits: None

G. Subprime Mortgage Related Risk Exposure: None
21. Events Subsequent

The Plan had no events occurring subsequent to the close of the books or accounts for this statement that may have a material effect on the financial condition of the Plan.
22. Reinsurance

A. Ceded Reinsurance Report

Section 1-General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No.

Section 2 - Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits form other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No.

Section 3 - Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business in making this estimate. None.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No.

B. Uncollectible Reinsurance
None

C. Commutation of Ceded Reinsurance
None
23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None
24. Change in Incurred Claims and Claim Adjustment Expenses None

Notes to Financial Statements

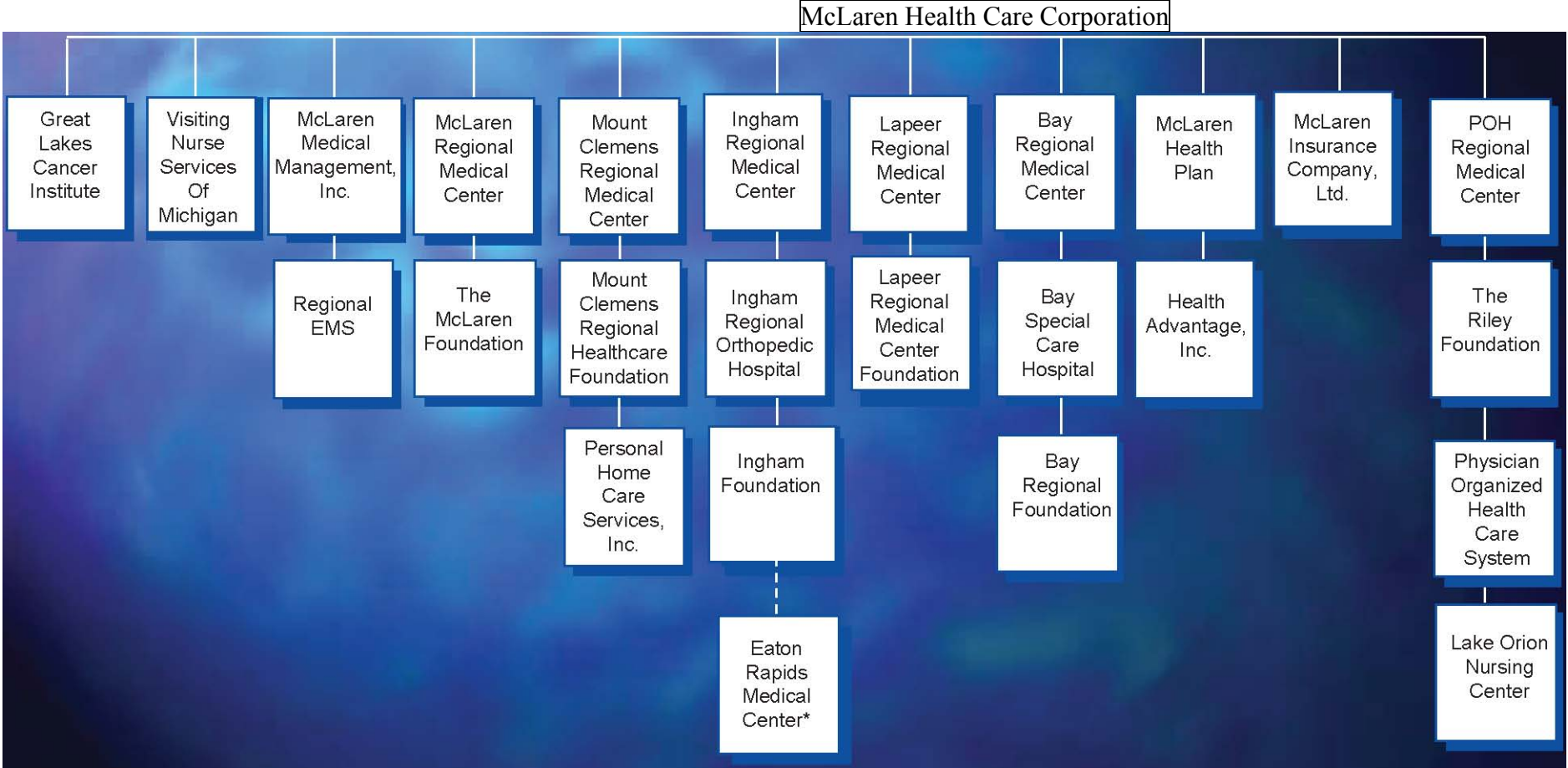
25. Intercompany Pooling Arrangements None
26. Structured Settlements Not Applicable
27. Health Care Receivables
A. Pharmaceutical Rebate Receivables

<u>Quarter</u>	<u>Estimated Rebate</u>	<u>Confirmed</u>	<u>90days</u>	<u>91-180 days</u>	<u>>180 days</u>	<u>total received</u>
12/31/2009						-
9/30/2009						-
6/30/2009	\$ -			\$77,088.53	\$ -	77,088.53
3/31/2009	\$ -				\$ 86,699.80	86,699.80
12/31/2008	\$ 18,011.00	\$ 18,011.00		\$22,833.02	\$ 91,475.11	114,308.13
9/30/2008	\$ -			\$88,571.81	\$ 13,306.26	101,878.07
6/30/2008	\$ -			\$78,368.82	\$ 12,974.43	91,343.25
3/31/2008	\$ -			\$10,032.27	\$ 75,484.12	85,516.39
12/31/2007	\$ -		\$ -	\$ -	\$ 84,400.59	84,400.59
9/30/2007	\$ 36,412.00	\$ 36,412.00	\$ -	\$ -	\$ 47,499.22	47,499.22
6/30/2007	\$ 395,493.00	\$395,493.00	\$ -	\$ -	\$ 46,548.41	46,548.41
3/31/2007	\$ 395,493.00	\$395,493.00	\$ -	\$ -	\$104,715.82	104,715.82
12/31/2006	\$ 395,493.00	\$395,493.00	\$73,449.18	\$ -	\$ 85,502.04	158,951.22
9/30/2006	\$ 133,414.00	\$133,414.00	\$ -	\$ -	\$ 77,499.75	77,499.75
6/30/2006	\$ 133,414.00	\$133,414.00	\$ -	\$ -	\$163,996.58	163,996.58
3/31/2006	\$ 133,414.00	\$133,414.00	\$ -	\$ -	\$147,857.88	147,857.88
12/31/2005	\$ 133,414.00	\$133,414.00	\$ -	\$ -	\$ 71,717.77	71,717.77
9/30/2005	\$ 104,915.00	\$104,915.00	\$ -	\$ -	\$128,389.28	128,389.28
6/30/2005	\$ 104,915.00	\$104,915.00	\$ -	\$ -	\$122,950.04	122,950.04
3/31/2005	\$ 104,915.00	\$104,915.00	\$ -	\$ -	\$116,248.63	116,248.63

B. Risk Sharing Receivables - None

28. Participating Policies None
29. Premium Deficiency Reserves None
30. Anticipated Salvage and Subrogation None

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



*Non Asset Merger
Affiliation Only